

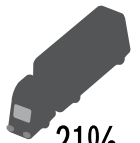
#localandproud

Data graphic

data graphic of the day

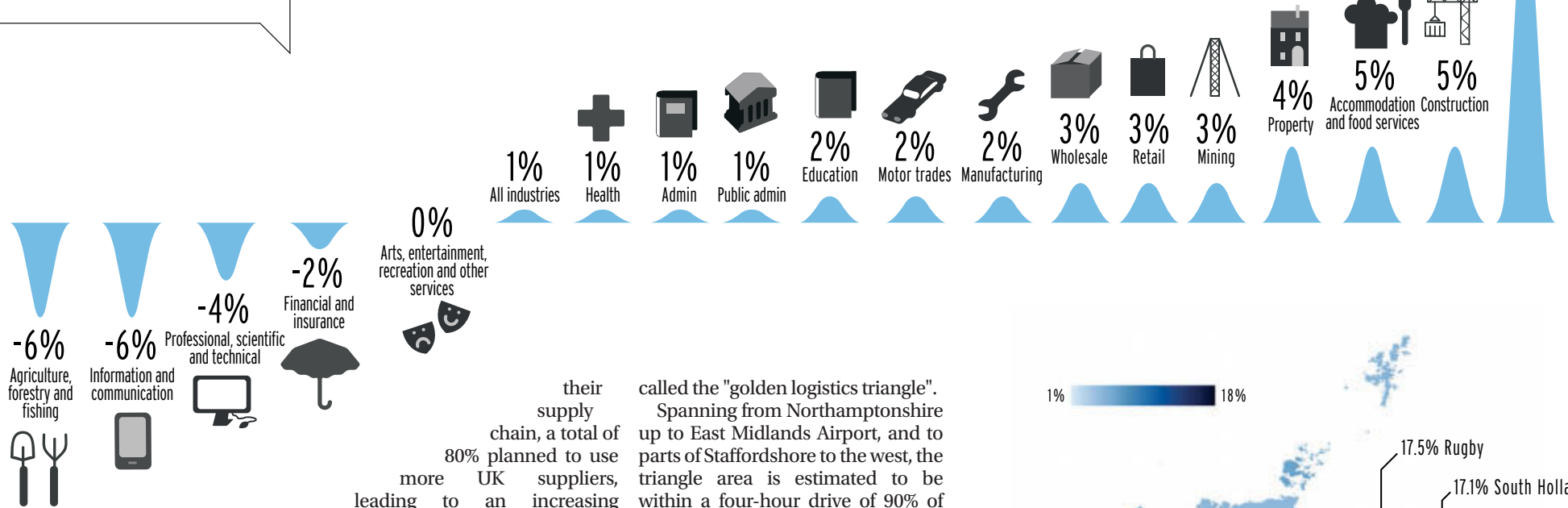
THE WAREHOUSE BOOM

New warehouse projects reached record high in 2021



21%
Transport and storage

PERCENTAGE CHANGE IN NUMBER OF BUSINESSES BY INDUSTRY, 2019 TO 2021



Visual by MARIANNA LONGO

their supply chain, a total of 80% planned to use more UK suppliers, leading to an increasing demand for warehouse space and logistic services in the UK.

But an online shopping boom during the pandemic accelerated the trend.

In February 2020, online purchases accounted for 19% of total retail sales. They rose over the course of the pandemic, peaking in January 2021 at 38%, and are still at 28% more than a year later.

To facilitate the online shopping boom, the number of postal and courier services increased 63% in the past two years, rising from 26,100 in 2019 to 42,500 in 2021. These businesses have been a key driver behind the growth of the transport and storage industry.

The increase in online retail has also led to a sharp rise in new warehouse construction projects.

The value of new orders for the building of warehouses were worth £5.6 billion in 2021, the highest since records began in 1985. It was also more than double the value of new warehouse projects just two years ago, which was £2.7 billion.

One in every five pounds spent on new warehouses was recorded in the East Midlands, according to the ONS new orders data supplier Barbour ABI.

This is followed by Yorkshire and the Humber, which accounted for 16% of the warehouse spending, and the East of England and the West Midlands, making up 13%.

These areas in the middle of the country with a high concentration of distribution facilities have been

called the "golden logistics triangle". Spanning from Northamptonshire up to East Midlands Airport, and to parts of Staffordshire to the west, the triangle area is estimated to be within a four-hour drive of 90% of the British population. It benefits from major motorways close by including the M1 and M6 as well as cheaper rent for warehouse facilities compared to other areas.

In Rugby in Warwickshire and South Holland in Lincolnshire, more than 17% of businesses belong to the transport and storage industry, the highest in the UK.

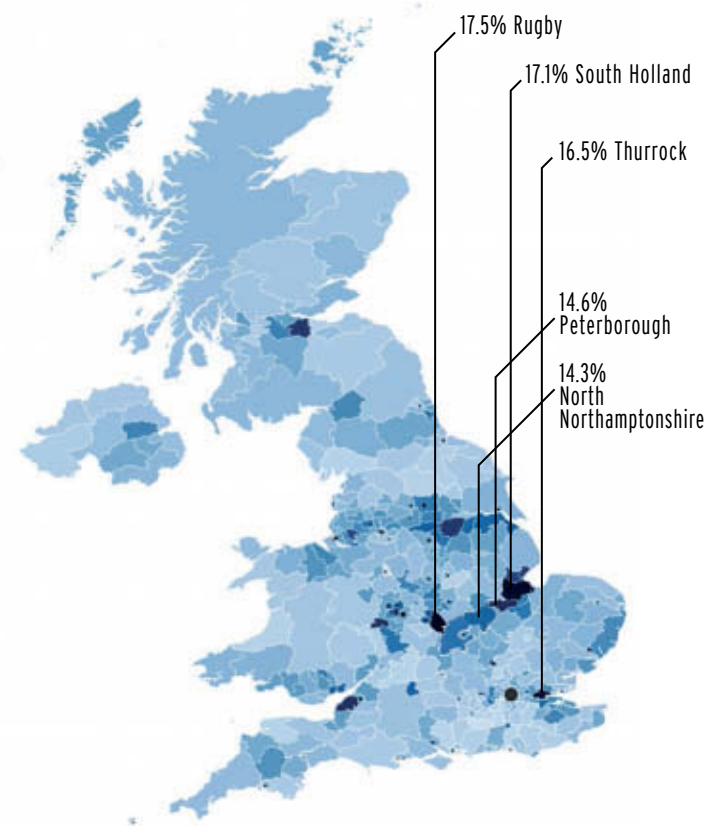
The UK Warehousing Association has welcomed the ONS report and the growth of the industry.

Clare Bottle, chief executive of the association said: "Transport and storage growth is the fastest growing of any industry group, and our sector - along with e-commerce - is expected to continue to grow."

However, she says there are some concerns about the ONS' definition of the transport and storage industry including the inclusion of passenger transport operations, which are not part of the sector, and the omission

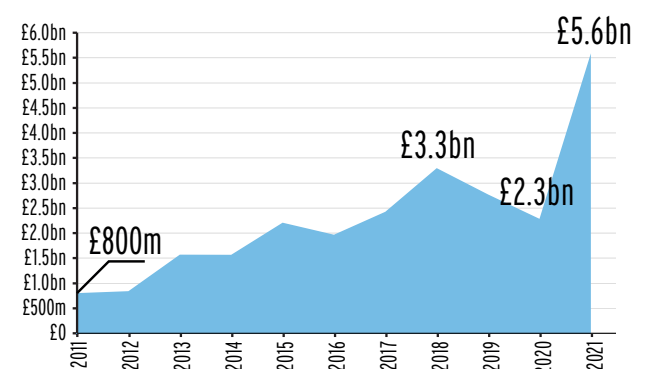
of retail and wholesale services, which are major drivers for increased warehousing demand.

1% 18%



THE SHARE OF TRANSPORT AND STORAGE BUSINESSES IN UK LOCAL AUTHORITIES
Top five highlighted

THE VALUE OF NEW WAREHOUSE PROJECTS IN THE PAST 10 YEARS



By ZOE HU

WAREHOUSES and transport is the UK's fastest growing industry in the past two years, following Brexit and an online shopping boom over the pandemic.

The number of businesses in the sector increased 21% between 2019 and 2021, while the growth across all industries was just 1%, according to figures released by the Office for National Statistics (ONS).

In comparison, the industries with the second highest growth, construction and accommodation and food services, only saw the number of businesses rise by 5% each.

The warehouse and transport industry was expanding even before the pandemic, with the number of businesses in the sector soaring from 82,270 in 2011 to 154,950 in 2021.

Following the end of the Brexit transition period, one in twenty businesses in the transport and storage sector said they would make changes to their operation and production, according to the UK's Business Insights and Conditions Survey conducted by the ONS in December 2020.

Among these businesses adapting